

SAUDI VISION CREATES PROMISING ECONOMIC PROSPECTS

At the forefront of its worldwide sustainable development efforts, the Islamic Development Bank (IsDB) is supporting the diversification of products, solutions, and programs.

Within this framework, a new industry is emerging and expanding, destined to reduce the Kingdom of Saudi Arabia's reliance on oil.

The fossil fuel has been the driving force behind the world's economy for decades, but cleaner alternatives are being developed to reduce global warming.

The Kingdom's considerable natural deposits of rock phosphate are amongst the building blocks for a decisive strategic and programmatic shift towards reinforcing the nation's long-term economic prospects.



Vision:

In 2009, thanks to a solid cooperation provided by the Kingdom of Saudi Arabia, the IsDB played a major role in establishing the Ma'aden Phosphate Fertilizer Complex (MPC) project, which created thousands of jobs and a product for worldwide export – supporting global food production as well as the national economy.

A complete production line was established from the moment the raw material was extracted from the earth to the finished element being transported to markets in global markets.

To successfully diversify the country's economy and reduce the dependence on oil, this visionary new endeavor was matched the self-sufficient scale of oil production.

Action:

Those first few steps towards diversifying the country's export economy were made at Al-Jalamid, where an estimated 960 million tonnes of phosphate deposits were mined and processed.

From there, the material was transported to plants in Ras Al-Khair to be converted into sulphuric and phosphoric acids and then to ammonia and diammonium phosphate (DAP) fertiliser – the final product.

This was then loaded onto ships at the Ras Al-Khair port for export.

Impact:

The creation of such a major new business not only led to new jobs in areas of high unemployment outside the Kingdom's main economic zones, but also had a positive multiplier effect with related industries.

Small and medium sized enterprises connected to Al-Jalamid emerged, ancillary plants to provide power and water to each link in the production chain were established and upgrades to roads and railways were carried out.

The Ras Al-Khair site, formerly a desert in 2007, became a booming industrial city with accommodation for workers and a modernised port.

Soon MPC alone was employing 1,500 people. Many young Saudis in remote areas now had better livelihoods, income, and stronger hope for the future.

For example, Arar, the capital of the Northern Borders Region, witnessed more activity and better employment opportunities.

Prospective:

The MPC did launch a whole new industry, boosted the economy, created thousands of new jobs, and established a platform for further growth in this sector.

The IsDB-led phosphate-based public-private partnership (PPP) had created a blueprint for others to follow.

In 2018, the Ma'aden Wa'ad Al-Shamal Phosphate Company replicated exactly that the same success story.

With this project, the Kingdom of Saudi Arabia has showcased ambition, commitment, determination, and innovation on the world stage and has clearly signposted a healthy economic future away from oil exports.

IsDB, meanwhile, played a vital role in getting this initiative off the ground - offering the vision and support required from the early days in 2009. In an ever-changing global market, that creative foresight was the ultimate priceless commodity.

